



LOUISIANA DEPARTMENT OF INSURANCE

May 12, 2003

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Pursuant to L.R.S. 22:9, please find enclosed the Louisiana Health Care Commission's 2001-2002 Report to the Legislature. As you know, the commission was created in 1992 by Act 1068 to study the availability and affordability of health care, as well as the adequacy of consumer protections in health care for the citizens of Louisiana. The commission conducts comprehensive studies of health care issues impacting insurance and the health delivery system in Louisiana, along with federal health reform initiatives. In addition, the commission examines major health policy developed by the Department of Insurance and makes reform recommendations to my office on all such policy.

The Louisiana Health Care Commission is presently working together with Louisiana Department of Insurance staff and the Louisiana Department of Health and Hospitals to further develop LaCHOICE, a plan for covering uninsured individuals in the small group market. The commission will proceed this year to address prescription drug costs and their impact on health insurance premiums, as well as the burden that prescription drug costs place on both the insured and the uninsured populations. The commission will also debate and study the issue of "Boutique/Specialty" hospitals and their relationship with government and commercial health plans. The commission will further continue to monitor and report on health care proposals in Congress, as well as recommend language and standards to implement any federal requirements.

With its membership of 44 highly capable individuals, the Louisiana Health Care Commission has proven to be a most valuable advisory board, one my office continues to work with on all health care policy matters. Its membership remains committed to addressing the many health issues we are faced with today in the provision and payment of affordable, available and quality health care.

If you have any questions about this report, please do not hesitate to have a member of your staff contact me.

Respectfully,

J. Robert Wooley
Commissioner of Insurance

JRW:DEC:vv
Enclosure

LOUISIANA HEALTH CARE COMMISSION

**Louisiana Department of Insurance
Commissioner of Insurance J. Robert Wooley**



Report to the Legislature

July 1, 2001 - June 30, 2002

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Louisiana Health Care Commission

DEPARTMENT OF INSURANCE
J. Robert Wooley, Commissioner of Insurance

Report to the Legislature

July 1, 2001 – June 30, 2002

I. HISTORY OF THE LOUISIANA HEALTH CARE COMMISSION

On July 14, 1992, the Governor signed into law Act 1068 creating the Louisiana Health Care Commission (L.R.S. 22:9), a 44-member, multi-disciplined, advisory board that undertakes comprehensive review of complex health care issues facing Louisiana. The commission examines all health policy developed by the Department of Insurance as well as other issues addressing reform of the health care and health insurance systems in Louisiana, in order to make access to quality health care more affordable and available for its citizenry. Through public hearings the commission receives testimony about the availability and affordability of health care in the state as well as information from regional and national experts. The commission openly solicits, encourages and receives public comment at meetings.

The Louisiana Health Care Commission submits to the Legislature a yearly report on health care and health insurance that takes into consideration the recommendations, actions and studies of the commission.

II. MEMBERSHIP OF THE LOUISIANA HEALTH CARE COMMISSION

The Louisiana Health Care Commission is composed of a great variety of health care experts and stakeholders, including health care payers, providers, employer organizations as well as community leaders. Members are also nominated from the governing boards of Louisiana's state colleges and universities, the Senate and House Insurance Committees, as well as at-large appointments designated by the Commissioner of Insurance.

The members of the Louisiana Health Care Commission as of June 30, 2002 were as follows:
(See Appendix 1)

Ms. Sandra C. Adams
Louisiana Coalition for Maternal and Infant Health

Glenn A. Ally, Ph.D.
Louisiana Psychological Association

Ms. Leah Barron
Louisiana Health Plan

Honorable Ronald C. “Ron” Bean
Louisiana State Senator

Mr. James L. Brexler
LSU Health Sciences Center

Mr. Scott Broussard
Louisiana Nursing Home Association

William M. Cassidy, M.D.
Louisiana State Medical Society

Ms. Kathy Chittom
Chiropractic Association of Louisiana

Mr. Kelly Cox
Louisiana Association of Health Underwriters

Mr. Gary Curtis
Louisiana Health Care Review, Inc.

Mr. Steve Deist
National Federation of Independent Business

Ms. Patricia DeMichele, J.D.
AARP Louisiana

Mr. Kerry B. Drake
Louisiana Association of Insurance & Financial
Advisors (Formerly – Louisiana Association of Life
Underwriters)

Sister Sarah Ducey, R.S.M., Ph.D.
Agenda for Children

Mr. Ronnie Duncan
Catholic Health Association of Louisiana

Mr. Paul Dykes
BlueCross BlueShield of Louisiana

Honorable Dale Erdey
Louisiana State Representative

Ms. Donna Fraiche, Esquire, Chair
Louisiana Health Care Commission

Ms. Bridgette Richard-Hollins
Louisiana Association of Business and Industry

Ms. Jeanne Hyatt
Home Options Mission for Elders Coalition

Mr. Seth A. Kaplan, PT, OCS
Louisiana Physical Therapy Association

Mr. Victor Kirk
Southwest Louisiana Center for Health Services

Mr. Charles E. Lea
Health Insurance Association of America

Mr. Bernard LeBas
Louisiana Pharmacists Association

Mr. Peter F. Maunoir, CLU, HIA, MHP
Pan American Life Insurance Company

Alan M. Miller, Ph.D., M.D.
Tulane University Medical Center

Ms. Myra Myers
League of Women Voters of Louisiana

Mr. Ron Neimark
Louisiana AFL-CIO

Ms. Lynn B. Nicholas, FACHE
Louisiana Hospital Association

Mr. Gladden Norris
American Association of Retired Persons

J. Patrick O’Brien, Ph.D.
Loyola University

Mr. Joseph “Butch” Passman
Louisiana Business Group on Health

Margaret Pereboom, Ph.D.
Louisiana Health Care Campaign

Ms. Phyllis Perron
Louisiana Insurers Conference

Mr. Richard Raether
Louisiana Health Care Alliance

Mr. Ed Michael Reggie
Louisiana Managed Healthcare Association

Mr. George Renaudin, II
Ochsner Health Plans

Mr. Cyril James “C.J.” Richard, Jr., D.D.S.
Louisiana Dental Association

William C. Risinger, Jr., O.D.
Louisiana Association of Optometrists

Ms. Helene Robinson
Department of Health and Hospitals

Ms. Mary K. Scott
Louisiana Primary Care Association

Ms. Marsha Mason Wade
Louisiana Trial Lawyers Association

Vacancies:
Governing Board of State Colleges and Universities
(One position)
Louisiana State Nurses Association

STAFF:

Mr. Richard O’Shee, Ex-Officio Designee
Ms. Denise Cassano, Executive Director
Ms. Alison Jones, Assistant Director
Ms. Clara Couvillon, Staff Assistant
Ms. Vanessa Vince, Staff Assistant
Ms. Deborah D. Harkins, Legal Counsel

III. Meetings and Subcommittees of the Louisiana Health Care Commission

The Louisiana Health Care Commission conducted ten public meetings during the fiscal year July 1, 2001 through June 30, 2002, at which time local and national health care experts gave presentations, and the studies and recommendations of the commission were made. During that time frame, a more formal analysis of key health care issues facing Louisiana was conducted through three subcommittees: the Subcommittee on Covering the Uninsured, the Subcommittee on Pharmaceutical Cost Issues and the Subcommittee on Legislation and Regulations.

➤ Subcommittee on Covering the Uninsured

The Subcommittee on Covering the Uninsured was formed in 2001 for the purpose of studying the uninsured population in Louisiana. While the mission of this subcommittee was to study and define the magnitude of the problems of the uninsured in the state and to identify drivers and propose solutions for the problem, its focus was on studying various other state proposals for covering the uninsured in an effort to develop a plan, specific to Louisiana, that would provide mainstream affordable private health insurance for small businesses.

There are some 845,000 Louisiana residents without health insurance coverage and eight out of ten people without coverage are in working families. Many of these workers hold jobs in businesses or firms that offer no health insurance benefits. These firms without coverage have a mix of low to moderate-income workers. Small firms are least likely to offer insurance, and only 28 percent of firms with 10 or fewer workers do offer insurance.

The first meeting of the subcommittee was held on November 9, 2001. During subsequent meetings, the subcommittee identified, studied and debated, in a methodical process, 11 drivers of the uninsured problem in Louisiana. These drivers were identified and prioritized as follows: Cost Shifting, Affordability, Mandates, Government Financing Structure, Charity Hospital System, Health Status of Louisiana Citizens and their Attitude Toward Health Care, Pharmaceutical Costs, Small Employer State, Medicaid Reimbursement Levels, Status of Economy/Recession and the Inability of Society to Grasp the Seriousness of the Uninsured Problem.

As a result of its study during that period, on April 17, 2002, the Subcommittee on Covering the Uninsured adopted the following policy statements for recommendation to the full commission:

That the state's publicly funded health care budget be appropriately and fully funded during the 2002 Regular Session of the Louisiana Legislature. Without appropriate and full funding, access to care could significantly worsen and the problem of the growing uninsured and cost shifting would be exacerbated.

That the Louisiana Health Care Commission urge the Louisiana State Legislature to contact Louisiana's Congressional delegation in support of H.R. 854 in Congress which amends Title XIX (Medicaid) of the Social Security Act to repeal specified reductions after FY 2000 and thereby extend certain modifications to Disproportionate Share Hospital (DSH) allotments provided under Medicare, Medicaid and State Children's Health Insurance Program (SCHIP) Benefits Improvement and Protection Act of 2000. Louisiana is significantly dependent upon DSH funding to provide access to care for the uninsured, fund medical education, fund mental health, support both state public and rural hospitals along with any other hospitals servicing the uninsured.

During its April 26, 2002 meeting, the Louisiana Health Care Commission adopted the recommendations of the subcommittee to support appropriate and full funding of Louisiana's publicly funded health care budget and adopted a resolution urging the Louisiana State Legislature to contact Louisiana's Congressional delegation in support of H.R. 854 in Congress which amends Title XIX (Medicaid) of the Social Security Act to repeal specified reductions after FY 2000 and thereby extend certain modifications to DSH allotments provided under Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000. On May 10, 2002, the Louisiana Health Care Commission, in concurrence with the Commissioner of Insurance, sent a letter to the Louisiana Legislature regarding this matter. The letter also stated that the commission supported any economic incentives that would encourage employers and employees to offer and purchase affordable health insurance.

The Subcommittee on Covering the Uninsured will continue its two-year study through June 30, 2003. During that time the subcommittee will examine various state options for increasing health insurance coverage and begin the preliminary development of a plan for working uninsured individuals in Louisiana. The development of a plan will entail establishing benefit and eligibility design, report and empirical estimates of the costs associated with the plan and coverage projections. This subcommittee will also study and consider various federal waiver proposals by the Department of Health and Hospitals for covering uninsured individuals.

➤ **Subcommittee on Pharmaceutical Cost Issues**

A subcommittee to address pharmaceutical cost issues was formed during the September 28, 2001 meeting of the Louisiana Health Care Commission.

The purpose of the subcommittee was to hold scheduled meetings to discuss problem statements and issues, study data, receive testimony and explore possible solutions to the rising costs of pharmaceutical drugs, including the impact it has on the uninsured population and rising health care premiums.

The subcommittee defined their mission statement which reads as follows: "Study data and receive testimony regarding prescription drug prescribing standards, the rising costs of health care, patient outcomes and the uninsured."

The first meeting of the subcommittee was held on May 1, 2002 to discuss the various issues surrounding pharmaceutical costs as well as the impact of pharmaceutical costs on the uninsured population in Louisiana. At this meeting the subcommittee outlined its goals and objectives which are as follows: "Analyze the correlation between the rising costs of health insurance premiums and the uninsured, prescription drugs and the cost of health care premiums and hospital utilization and prescription drugs."

During subsequent meetings on June 2, 2002 and July 22, 2002, the subcommittee heard presentations and received testimony regarding rising pharmaceutical costs and the impact on employers, prescription drug pricing and Louisiana's Medicaid formulary program.

At the July 22, 2002 meeting, the Subcommittee on Pharmaceutical Cost Issues adopted the following policy statement: "Rising pharmacy costs are but one factor in the rising cost of health insurance and are related to other underlying problems of the uninsured."

The subcommittee also studied information regarding other states' pharmacy assistance subsidy programs, pharmacy assistance discount programs, pharmacy assistance insurance programs and pharmacy assistance buying pools.

➤ **Subcommittee on Legislation and Regulations**

The Subcommittee on Legislation and Regulations met on May 15, 2002 to discuss legislative proposals in the 2002 Regular Session of the Legislature that were related to similar proposals in Congress for the purpose of developing some guiding principles and concepts applicable to pending state legislation. The subcommittee made recommendations to the Louisiana Health Care Commission regarding concepts and on May 17, 2002, the full commission adopted the following concepts:

Concept One - *The Louisiana Health Care Commission supports the creation of incentives, which encourage the purchase of health insurance.*

This concept was developed from tax credit/tax refund legislation that authorized economic incentives for purchasing health insurance.

Concept Two - *The Louisiana Health Care Commission supports the reduction of cost shifting by providing financial incentives to encourage the provision of medical care to the uninsured and underinsured.*

This concept was developed from legislation that provided financial incentives encouraging physicians to provide medical care to the indigent population.

Concept Three - *The Louisiana Health Care Commission supports public policy that will, through incentives and by other means, reduce cost shifting from the private to the public sector by encouraging individuals to purchase insurance products, authorized under Title 22 and eligible for state and federal tax credits, for their long-term health care needs, ultimately reducing the burden on the public health system.*

This concept was developed from legislation that authorized tax credits for long-term nursing home care insurance premiums.

Concept Four - *The Louisiana Health Care Commission supports public policy that will, through incentives and by other means, reduce costs and make more readily available prescription drugs for the medically needy.*

This concept was developed from legislation that provided for various tax exemptions related to the purchase of prescription drugs.

Concept Five - *The Louisiana Health Care Commission opposes taxes, assessments and fees that add to the cost of health insurance without directly benefiting the health care system.*

This concept was developed from legislation that imposed an assessment and increase in premium taxes to support public safety and certain retirement systems.

Concept Six - *The Louisiana Health Care Commission supports public policy that encourages research that eliminates disease and promotes improving the overall health of the people of Louisiana.*

This concept was developed from legislation that increased the tax on cigarettes for the purpose of providing funds to the Louisiana Cancer Research Center of the LSU Health Sciences Center in New Orleans and the Tulane Health Sciences Center and for the creation of smoking cessation programs.

On May 23, 2002, a letter was sent from the commission to the Louisiana Legislature outlining these concepts and the commission's policy position. The letter urged the Legislature to recognize those bills, which offered certain economic incentives to the uninsured and underinsured for purchasing health insurance, and other financial incentives that encouraged physicians to provide medical care to the indigent population.

IV. OTHER KEY ISSUES ADDRESSED BY THE LOUISIANA HEALTH CARE COMMISSION

A. Louisiana Patient Protection Laws

The Louisiana Health Care Commission conducted a study and comparison of the provisions of Senate-passed bill, S. 1052, and House-passed bill, H.R. 2563, in Congress regarding patients' rights and Louisiana's proposed Regulation 77, Medical Necessity Review Organizations (MNRO). During that study the commission focused on five key issues, federal preemption of state law, mandates, patient appeal rights, expansion of liability and alternative-purchasing arrangements. A side-by-side comparison chart composed of the Senate-passed bill S. 1052, the House-passed bill H.R. 2563, current Louisiana statutes¹ and Louisiana's proposed Regulation 77 (MNRO) was prepared by the Department of Insurance for purposes of this study.

On February 21, 2002, the Louisiana Health Care Commission sent a letter to Louisiana's Congressional delegation regarding the Patient's Bill of Rights. The commission's letter appealed to the delegation to urge Congress to use Louisiana's MNRO Act² as a model to follow in the development of a federal proposal. This letter stressed the fact that Louisiana had implemented appropriate procedures and safeguards addressing the appeal rights of patients as well as the process by which medical decisions must be made and by whom. More specifically, MNRO established an appeal and grievance process, access to an expedited review for patients with urgent medical conditions as well as general liability provisions for negligence and gross negligence cause of action in both state and federal court.

B. Congressional Economic Stimulus Package

The unforeseen tragedy that occurred on September 11, 2001 led to a downturn of the nation's economy and rising health care costs further exacerbating the uninsured problem.

While Congress was trying to forge together an economic stimulus package that both Democrats and Republicans could agree upon, the commission debated the various proposed congressional packages. Although the commission did not reach a consensus on the issue, they did however, unanimously agree to urge Congress to assist those families who found themselves uninsured due to the direct result of the tragedy that occurred on September 11, 2001.

In December 2002, the commission sent a letter to Louisiana's Congressional delegation advising that they supported any provisions in the proposed economic stimulus package that would provide new federal funding for those individuals and families who were at risk of becoming uninsured.

¹ Louisiana Revised Statute R.S. 22:3070

² Louisiana Revised Statute R.S. 22:3070

In the letter the commission further emphasized their concern regarding the transfer of existing federal funding from the unused portion of the SCHIP program in order to help the recently uninsured adults. The commission stressed that they believed the measure would be devastating because Louisiana needed the flexibility to expand the Louisiana Children's Health Insurance Program (LaCHIP) to cover parents and increase rates to health care providers to assure equal access to health care. In addition, funds should remain available for any expanded program in order for Louisiana to continue to provide the much-needed health care for needy children and ultimately their uninsured parents. The commission then requested the delegation's support in this endeavor as the opportunity had been presented to provide health coverage to a vulnerable population.

C. Louisiana's Medicaid Program

An active Medicaid provider is defined as "one who has filed at least one claim during the past year."³ Only 36 percent of all Medicaid physician providers are actively participating in the program. Medicaid reimbursement levels have generally been extremely low and often do not cover the costs of health care services rendered. On a weighted-average basis, Medicaid fees are approximately 69 percent of Medicare rates, which are still lower than commercial payments. The ultimate effect of Louisiana's low reimbursement rates has been that there are fewer and fewer physicians treating Medicaid patients. Also, hospitals have to shift the cost of millions of dollars in shortfalls by charging private health care insurers well above the actual cost of health care services.

On August 24, 2001, the commission received testimony regarding physician reimbursement in the private market, the correlation between those reimbursement amounts and the availability of physicians treating Medicaid and LaCHIP children as well as information on the economic aspect of the provision of health care.

Testimony by Ken Thorpe, Ph.D., Robert W. Woodruff Professor and Chair, Department of Health Policy & Management, Rollins School of Public Health, Emory University, regarding the program "Issues Facing Louisiana Medicaid/LaCHIP," revealed the following:

- Participation by private physicians rises as Medicaid payments to physicians rise.
- While the total number of visits per child remains approximately the same, the site of care changes as fees rise.
- A ten percent increase in Medicaid reimbursement to physicians (holding private fees constant) leads to a five percent increase in the number of primary care physicians treating Medicaid/LaCHIP children.
- An increase in Medicaid reimbursement to physicians would directly improve access to quality health care.

³ *A Plan to Enhance the Louisiana Medicaid Program*, The Louisiana Hospitals' Medicaid Task Force, October 2001.

Further testimony was presented to the Louisiana Health Care Commission from Dr. Hugh W. Long, Professor of Health System Management, Tulane University. His presentation included some basic economic observations regarding direct and indirect provider costs, cost shifting and units of output and providers. Dr. Long also discussed the tension that exists between medicine and economics when it comes to patient care.

D. HB 507, Act 1236 Constitutional Amendment, “Budget Flexibility”

During the 2001 session, the Louisiana Legislature passed HB 507, Act 1236, authorizing a vote of a constitutional amendment known as “Budget Flexibility,” which authorizes the administration, in concert with the Joint Legislative Committee on the Budget, to make midyear cuts to statutory and constitutionally protected funds in times of potential deficits.

On April 26, 2002, after debate and discussion of the constitutional amendment, the commission passed a motion to support proposed constitutional amendment HB 507, Act 1236 “Budget Flexibility.” Frequently, in times of budget constraints, the first areas to be cut are health care and education. The objective of the amendment is to spread those budget cuts across a wider expanse than just health care and education.

E. Louisiana Health Care Funding

On May 10, 2002, the commission sent a letter to the Louisiana Legislature regarding health care funding in the public sector. The letter stated that the commission, with full concurrence of the Commissioner of Insurance, supports appropriate and full funding of Louisiana’s publicly funded health care budget as well as any economic incentives that would encourage employers and employees to offer and purchase affordable health insurance.

The letter further stated that the commission unanimously passed a resolution, urging the Legislature to contact Louisiana’s Congressional delegation in support of H.R. 854 and S. 572, which extends modifications to DSH funding allotments provided under the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000. The commission’s support was based on the fact that Louisiana is significantly dependent upon DSH funding to provide access to care for the uninsured, fund medical education, fund mental health, support state public hospitals, rural hospitals and any other hospitals serving the uninsured.

F. Health Insurance Mandates

The commission has frequently debated the issue of health insurance mandates. This debate has centered on whether or not mandated health insurance benefits and options increase the cost of health insurance and whether or not the deletion of mandated health insurance benefits and options would reduce the cost of health insurance.

Senate Bill 865, Act 1133 was enacted during the 2001 Regular Session of the Louisiana Legislature. “Statutory mandates; actuarial cost analysis; periodic reevaluation,”⁴ requires the Department of Insurance to conduct an actuarial cost analysis on certain health insurance benefits and options mandated by law and report their findings to the House and Senate Committees on Insurance prior to the commencement of the 2003 Regular Session of the Legislature for their periodic reevaluation.

The commission decided that if any discussion ensued on health insurance mandates, no action would be taken until such time as the Department of Insurance completed its actuarial cost analysis and reported the findings to the House and Senate Committees on Insurance.

G. Additional Issues Addressed by the Louisiana Health Care Commission During its 2001/2002 Study

- Health Care Workforce Shortage
- Bio-Terrorism
- Lack of Access to Care
- Funding of Health Care for State Incarcerated Prisoners
- Louisiana’s Charity Hospital System
- Cost Shifting

⁴ Louisiana Revised Statute R.S. 22:230.5

V. LOOKING AHEAD

While Louisiana has made great strides in past years by enacting laws that address the state's various health care and health insurance difficulties, there are still many hurdles to cross and much work to be done. The Louisiana Health Care Commission will continue to move forward in its effort to make substantial reform recommendations that will make health care and health insurance more affordable and accessible to the citizens of Louisiana. While health care costs continue to rise and our uninsured population continues to grow, we will continue to aggressively focus on those issues that are attributing to these problems and seek solutions.

At present, the Louisiana Health Care Commission has completed preliminary development of a plan for working uninsured individuals in Louisiana entitled LaCHOICE.

There are approximately 845,000 people in Louisiana who are uninsured. LaCHOICE was created to address the high cost of insurance by providing a mainstream private health insurance package for small businesses, self-employed individuals and low to moderate income families. As presently designed, premiums are discounted because the LaCHOICE policy does not cover certain mandated benefits, there are higher co-payments and the policy is subsidized through a stop-loss pool that would reimburse insurance plans for 90 percent of claims paid per member per year between \$30,000 and \$100,000. Preliminary estimates suggest that premiums would be 15 to 30 percent lower than policies sold in the small group market.

LaCHOICE will be implemented under the LaAccess program through a joint effort by the Louisiana Department of Insurance and the Louisiana Department of Health and Hospitals. Application will be made with the Centers for Medicare and Medicaid Services for a Health Insurance Flexibility and Accountability (HIFA) waiver for the LaAccess program. The HIFA waiver encourages states to use existing Medicaid resources to extend health coverage to new populations. The LaAccess program consists of a four-part plan to increase health coverage among low-income individuals and families, primarily through state subsidies of private insurance coverage. The four components of LaAccess are: LaCHOICE, a private health insurance coverage plan for low income employees of eligible small employers with a state subsidy to participating insurance companies through a stop-loss pool; LaHIPP and LaHelp, which offer private health insurance coverage for poor parents and childless adults, with partial reimbursement from Medicaid to the parents of childless adults for the cost of the premium; and LaDoc, which offers limited Medicaid coverage (primary care only) to poor parents and childless adults that are ineligible for premium assistance with patient cost sharing.

The commission members will continue to work together with the Louisiana Department of Insurance and the Louisiana Department of Health and Hospitals to further develop the benefit package, eligibility requirements and the stop-loss model for LaCHOICE, as well as assist in establishing the implementation criteria necessary for this plan to interact with the LaCHIP and Medicaid programs. The commission members will further assist in the development of cost and enrollment estimates for LaCHOICE based on the final specification of the benefit package, premium costs and outreach plan.

The commission will continue its study this year to address prescription drug costs and how they impact health insurance premiums, as well as the burden that prescription drug costs place on both the insured and the uninsured populations. The commission will further examine any possible measures that could be taken to reduce the overall cost impact of prescription drugs as they directly impact these premiums.

The commission will continue to monitor and report on health care proposals in Congress as well as recommend language and standards to implement any federal requirements.

The commission will receive testimony regarding the actuarial cost analysis report on statutory mandates conducted by the Louisiana Department of Insurance pursuant to Act 1233 of the Louisiana Legislature to further determine the impact of these mandates on the cost of health insurance as well as on the provision of health insurance coverage in the small group market and on our uninsured population.

The commission will also debate and study the issue of “Boutique/Specialty” hospitals and their relationship with government and commercial health plans in order to determine if these facilities place any burdens on the delivery of health care in a hospital setting. On March 28, 2003, more than 100 interested members of the health industry and public at-large attended a forum on “Boutique/Specialty” hospitals, which was held at the Department of Insurance and hosted by the Louisiana Health Care Commission and the Louisiana Health Care Alliance. During the forum, a lengthy debate was held with both sides of the issue represented.

Finally, the commission will continue to study and review the overall shortage of health care workers in Louisiana. It is vitally important to Louisiana that we have a delivery system with an adequate health care workforce to assure that the citizens of Louisiana will be delivered the very best health care services possible.

CONCLUSION

We hope this report is both informative and enlightening to our state legislators. The Louisiana Health Care Commission remains committed to addressing the many health issues that our state is faced with today in the provision and payment of affordable, available, quality health care. We encourage and summon your help in addressing and solving these issues both at a state and federal level, so that Louisiana can continue to move forward in a progressive manner to provide affordable and quality health care to all of the citizens of Louisiana.



Donna D. Fraiche, Chair
Louisiana Health Care Commission

Denise Cassano, Executive Director
Louisiana Health Care Commission

For more information about the Department of Insurance and the Louisiana Health Care Commission, you may access the Department of Insurance official website at **<http://www.lds.la.gov>**. A list of Louisiana Health Care Commission members and meeting dates is available on the website.

Appendix 1

The members of the Louisiana Health Care Commission as of June 30, 2002 were as follows:

Ms. Sandra C. Adams
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Non-Active Positions

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(One position)
Louisiana State Nurses Association